



Federal / State Income Tax Institute

**Nebraska Updates
2015**

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*Nebraska tax statutes, regulations,
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Currently Featured
2015 Major Legislative Changes
Fall 2015 Tax Seminar Schedule
2014 Nebraska Tax Incentives Annual Report to the Legislature
Nebraska Department of Revenue Issues Income Tax Return Guidance to Same-Sex Married Couples
Notice of Regulation Hearing, August 17, 2015
Local Sales and Use Tax Information – What Happens After the Election?
[Report Nebraska Tax Fraud](#)
[Nebraska Delinquent Taxpayer List](#)
[Request a Payment Plan](#)

Specific Tax Info
[Business Income Tax](#)
[Cigarettes/Other Tobacco Products](#)
[Individual Income Tax](#)
[Individual Use Tax](#)
[Occupation Taxes](#)
[Sales and Use Tax](#)
[Income Tax Withholding](#)

Items of Interest
[Compliance and Enforcement](#)
[Construction Contractors](#)
[Homestead Exemption](#)
[How to Start or Close Your Business](#)
[Local Government Information](#)
[Major Legislative Changes](#)
[Market-Based Sourcing](#)
[Nebraska Historic Tax Credit](#)
[New Markets Job Growth Investment Tax Credit](#)
[Prepaid Wireless Surcharge](#)


Official Nebraska State Government Home Page | [Privacy Policy](#) | [About Outside Links](#)

Today's Agenda

- Individual Income Tax
- Legislative Changes
- Revenue Rulings
- Information Guides
- Business Taxes


Individual Income Tax


Form 1040N Changes


	Nebraska Individual Income Tax Return for the taxable year January 1, 2015 through December 31, 2015 or other taxable year: , 2015 through ,	FORM 1040N 2015
Your First Name and Initial	Last Name	PLEASE DO NOT WRITE IN THIS SPACE
<div style="display: flex; justify-content: space-between;"> <div> <p>33 Nebraska earned income credit. Enter number of qualifying children 97 <input type="text"/></p> <p>Federal credit 98 \$ <input type="text"/> .00 x .10 (10%) (attach federal return, pages 1 and 2 – see instructions)</p> </div> <div style="border: 1px solid black; padding: 2px;">33</div> <div style="border: 1px solid black; padding: 2px;">00</div> </div>		

- Earned Income Tax Credit (EITC) Affected by Net Operating Loss (NOL) Carryover
 - For taxable years beginning on or after January 1, 2015.
 - If otherwise eligible for the EITC, a taxpayer will remain eligible for the credit if they would have been eligible for the federal EITC after adding back any NOL carryover deducted from federal AGI for the tax year.
 - A worksheet has been added to the instructions for line 33 to assist taxpayers who have a NOL carryover in determining if they qualify for EITC with Nebraska.

Line Number Changes


 Nebraska Schedule I — Nebraska Adjustments to Income (Nebraska Schedule II reverse side.) • Attach this page to Form 1040N.		FORM 1040N Schedule I 2015	
Name on Form 1040N		Social Security Number	
Nebraska Schedule I — Nebraska Adjustments to Income for Nebraska Residents, Partial-Year Residents, and Nonresidents • Attach additional pages if necessary.			
Part A—Adjustments Increasing Federal AGI			
1 Interest income from all state and local obligations exempt from federal tax			
a List type: _____		b Amount: \$ _____	
List type: _____		Amount: _____	
Total interest income exempt from federal tax. Enter total of lines 1b.		1	00

 Nebraska Schedule II — Credit for Tax Paid to Another State		FORM 1040N Schedule II 2015	
Name on Form 1040N		Social Security Number	
Nebraska Schedule II — Credit for Tax Paid to Another State for FULL-YEAR RESIDENTS ONLY • Complete a separate Schedule II for each state. • A complete copy of the return filed with another state must be attached. If the entire return is not attached, credit for tax paid to another state will not be allowed. Name of state: _____			
1 Total Nebraska tax (line 17, Form 1040N)		1	00

 Nebraska Schedule III — Computation of Nebraska Tax		FORM 1040N Schedule III 2015	
Name on Form 1040N		Social Security Number	
Nebraska Schedule III — Computation of Nebraska Tax for PARTIAL-YEAR RESIDENTS AND NONRESIDENTS ONLY • You must complete lines 1 through 14, Form 1040N. If you have state, local, or federal bond interest or other adjustments, complete Parts A and B of Nebraska Schedule I. Use Schedule III to calculate your Nebraska tax liability. • You do not have to provide a copy of other state returns when filing Schedule III.			
1 Income derived from Nebraska sources. Include income from wages, interest, dividends, business, farming, Nebraska unemployment payments, severance payments connected to Nebraska employment, partnerships, S corporations, limited liability companies, estates and trusts, gain or loss, rents, royalties, and financial institution tax credit amount. If there is no Nebraska income or loss, enter -0-.			


- Form 1040N, Schedules I, II, and III lines have been renumbered.
- Each schedule now begins with line number 1.

Schedule I Line Changes

	Nebraska Schedule I — Nebraska Adjustments to Income (Nebraska Schedule II reverse side.) • Attach this page to Form 1040N.	FORM 1040N Schedule I 2015
Name on Form 1040N	Social Security Number	
Nebraska Schedule I — Nebraska Adjustments to Income for Nebraska Residents, Partial-Year Residents, and Nonresidents • Attach additional pages if necessary.		
Part B—Adjustments Decreasing Federal AGI		
27 Social Security included in Federal AGI (see instructions).....	27	00
28 Military retirement. Form 1040N-MIL must be attached or be on file with the Department (see instructions).....	28	00
29 Total adjustments decreasing federal AGI (total lines 10 and 13 through 28). Enter here and on line 13, Form 1040N.....	29	00


- Two lines were added to the Form 1040N, Schedule I, Part B – Adjustments Decreasing Federal AGI.
 - Line 27. Allows a deduction for Social Security income included in federal AGI if a taxpayer's federal AGI is less than or equal to \$58,000 for married couples, filing jointly, or \$43,000 for all other tax returns.

Schedule I Line Changes

		Nebraska Schedule I — Nebraska Adjustments to Income (Nebraska Schedule II reverse side.) • Attach this page to Form 1040N.		FORM 1040N Schedule I 2015	
Name on Form 1040N				Social Security Number	
Nebraska Schedule I — Nebraska Adjustments to Income for Nebraska Residents, Partial-Year Residents, and Nonresidents • Attach additional pages if necessary.					
Part B—Adjustments Decreasing Federal AGI					
27 Social Security included in Federal AGI (see instructions).....				27	00
28 Military retirement. Form 1040N-MIL must be attached or be on file with the Department (see instructions)....				28	00
29 Total adjustments decreasing federal AGI (total lines 10 and 13 through 28). Enter here and on line 13, Form 1040N.....				29	00

- Line 28. A one-time election to exclude from Nebraska income a portion of his or her income received as a military retirement benefit must be made within two years after retirement from the uniformed services using [Form 1040N-MIL](#).
- In order to take this adjustment for the 2015 tax year, the election will need to be made prior to January 1, 2016.
- Enter the amount of military retirement income allowable as a deduction based on your previously filed [Form 1040N-MIL](#) for tax years beginning on or after January 1, 2015.

Schedule II Line Changes

		Nebraska Schedule II — Credit for Tax Paid to Another State		FORM 1040N Schedule II 2015	
Name on Form 1040N				Social Security Number	
<p align="center">Nebraska Schedule II — Credit for Tax Paid to Another State for FULL-YEAR RESIDENTS ONLY</p> <ul style="list-style-type: none"> • Complete a separate Schedule II for each state. • A complete copy of the return filed with another state must be attached. If the entire return is not attached, credit for tax paid to another state will not be allowed. Name of state: 					
1 Total Nebraska tax (line 17, Form 1040N)				1	00
2 Adjusted gross income derived from another state (do not enter amount of taxable income from the other state – use Conversion Chart on the Department's website)				2	00
3 Ratio					
Line 2 (From Form 1040N, Lines 5 + Line 12 – Line 13) = <input type="text"/> + <input type="text"/> – <input type="text"/> = <input type="text"/>				3	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
4 Calculated Tax Credit. Line 1 multiplied by line 3 ratio				4	00

- One line was added to the Form 1040N, Schedule II.
 - Line 3 allows for the calculation of the ratio which is then carried to the right hand column of the form.
 - Line 4 is the Calculated Tax Credit. Line 1 multiplied by line 3 ratio.
 - In previous years, this calculation was all completed on one line.

General

• Nebraska Standard Deductions

	2014	2015
○ Single taxpayers	\$ 6,200	\$ 6,300
○ Head of household	\$ 9,100	\$ 9,250
○ Married, filing jointly	\$12,400	\$12,600
○ Married, filing separately	\$ 6,200	\$ 6,300
○ Qualifying Widow(er)	\$12,400	\$12,600

• Taxpayers Over Age 65 and/or Blind

- Taxpayers using married, filing jointly; married, filing separately; or qualifying widow(er) filing status, add \$1,250 per box checked.
- Taxpayers using single or head of household filing status, add \$1,550 per box checked.

General

- High School District Code Changes
 - No changes for 2015-2016
- Personal Exemption Credit
 - 2015 = \$130
 - 2016 = \$131

Index Individual Income Tax Brackets

Beginning tax year 2015

- The four brackets for each income tax filing status were adjusted for inflation.
- The adjustment is calculated using a percentage change in the index, with August 31, 2013 as the base.
- The adjustment will be calculated as of August 31 of each year.

For more information, see [Neb. Rev. Stat. § 77-2715](#).

Individual Income Tax in 2014

Bracket Number	Married, Filing Jointly	Head of Household	Single Individuals	Tax Rate
1	\$0 – 6,000	\$0 – 5,600	\$0 – 3,000	2.46%
2	\$6,000 – 36,000	\$5,600 – 28,800	\$3,000 – 18,000	3.51%
3	\$36,000 – 58,000	\$28,800 – 43,000	\$18,000 – 29,000	5.01%
4	Over \$58,000	Over \$43,000	Over \$29,000	6.84%

Individual Income Tax in 2015

Bracket Number	Married, Filing Jointly	Head of Household	Single Individuals	Tax Rate
1	\$0 – 6,090	\$0 – 5,690	\$0 – 3,050	2.46%
2	\$6,090 – 36,570	\$5,690 – 29,260	\$3,050 – 18,280	3.51%
3	\$36,570 – 58,920	\$29,260 – 43,680	\$18,280 – 29,460	5.01%
4	Over \$58,920	Over \$43,680	Over \$29,460	6.84%

Individual Income Tax in 2016

Bracket Number	Married, Filing Jointly	Head of Household	Single Individuals	Tax Rate
1	\$0 – 6,120	\$0 – 5,710	\$0 – 3,060	2.46%
2	\$6,120 – 36,730	\$5,710 – 29,390	\$3,060 – 18,370	3.51%
3	\$36,730 – 59,180	\$29,390 – 43,880	\$18,370 – 29,590	5.01%
4	Over \$59,180	Over \$43,880	Over \$29,590	6.84%

E-file

- Nebraska plans to accept e-filed returns on the same date as the IRS.
- A tax preparer approved by the IRS can e-file both federal and state returns using IRS and state-approved software.
- Nebraska returns will be accepted as either linked or unlinked.

E-file

- Estimated income tax payments for 2016 may be made with your 2015 e-filed return by electronic funds withdrawal (EFW), by credit card, or by using the Department's e-pay system.
- Most 2015 Nebraska individual income tax returns, with the exception of Fiscal year filers, can be e-filed using the Fed/State program.
- Nebraska will accept delinquent income tax returns for tax years 2013 and 2014, using Fed/State software.

E-file Mandate

- No Change to the Tax Preparer E-file Mandate for 2015
 - Applies to tax preparers who filed 25 or more Nebraska individual income tax returns during calendar year 2015.
 - All individual income tax returns they are paid to prepare during calendar year 2016 must be e-filed.
 - The penalty is \$100 for each return not e-filed.

See the [Tax Preparer E-file Mandate FAQs](#) on the Department's website.
[Neb. Rev. Stat. § 77-1784](#)

Documentation

- Documentation may be requested if it is not included in the return.
 - Nebraska Child and Dependent Care Expenses, Form 2441N
 - Required for both the refundable and nonrefundable credit
 - Failure to submit this form could result in the credit being disallowed or the return being rejected when e-filing.
 - Nebraska income tax withholding Forms W-2 and 1099
 - Railroad Retirement Board documentation

Note: The Nebraska Individual Income Tax Transmittal for E-Filed Returns, Form 8453N, has been eliminated.

Documentation

- Schedule K-1N, Form 1041N
- Schedule K-1N, Form 1065N
- Schedule K-1N, Form 1120-SN
- Nebraska Refund for Deceased Taxpayers, Form 1310N
- Nebraska Incentives Credit Computation, Form 3800N
- Special Capital Gains/Extraordinary Dividend Election and Computation, Form 4797N
- Statement of Nebraska Financial Institution Tax Credit, Form NFC
- NOL worksheet

Individual Income Tax Audits

- Economic Substance
 - Form 4797N – Special Capital Gains Election
 - Tax preparer's responsibilities
- Focus on Nonresidents
 - Schedule K-1N
 - Partial-year residents
 - Filing income tax return claiming residency in a state that doesn't have state income tax
- Focus on Nonfilers

Form 3800N


- Department staff review all returns claiming Nebraska incentive credits.
 - Form 3800N may be e-filed with your return, if your software supports it; however all supporting documentation must be sent as a PDF attachment, or it will be requested later during processing.
 - Amounts claimed will be appropriately verified.
 - Review and processing can take 6 weeks or more.
 - Form 3800N has been updated to include a line for the Nebraska Historic Tax Credit (NHTC).

Additional Resources

- [Software Developer Handbooks](#)
 - The Department has developed technical instructions for software developers.
- Draft forms are located on the [Software Developers](#) page.
- The Nebraska Handbook for Electronic Filers of Individual Income Tax Returns can be found by clicking on “[Tax Preparers](#)” at revenue.nebraska.gov.

Note: These guides are updated annually.
Be sure to use the 2015 guides which will be
released by the end of December, 2015

Use Tax

		Nebraska Individual Income Tax Return for the taxable year January 1, 2015 through December 31, 2015 or other taxable year: , 2015 through ,		FORM 1040N 2015	
Please Type or Print	Your First Name and Initial		Last Name		PLEASE DO NOT WRITE IN THIS SPACE
	If a Joint Return, Spouse's First Name and Initial		Last Name		
	Current Mailing Address (Number and Street or PO Box)				
	City		State	Zip Code	
38 Use tax due on taxable purchases where applicable sales tax was not collected. (see instructions) Enter purchases subject to state tax 91 \$ _____ State tax 92 \$ _____ (purchases x 5.5%); Enter purchases subject to local tax 93 \$ _____ Local tax 94 \$ _____ (purchases x local rate of ____ %) 95 Local code _____ (see local rate schedule); Add state and local taxes and enter on line 38. If no use tax is due, enter -0- on line 38. 38 _____ 00					

- Report individual use tax on line 38 of Form 1040N.
- If the taxpayer has a credit for tax paid to another state, along with use tax, report both the credit and tax on [Form 2](#).
- If the taxpayer needs to report use tax to multiple local jurisdictions, report it on [Form 3](#).
- Report business use tax on [Form 10](#) or [Form 2](#).

Note: Do not report business use tax on Form 1040N.

Use Tax

- Use tax filing statistics
 - 51, 902 Forms 1040N reported a use tax liability for a total of \$3,041,238 since the use tax line was added to the income tax return.
 - An estimated \$57 to \$76 million in sales and use taxes on remote sales goes uncollected on an annual basis.
 - \$45 to \$60 million in state sales and/or use tax revenue
 - \$12 to \$16 million in local sales and/or use tax revenue

Disaster Relief

- The Department will follow [IRS' guidance](#) for income tax purposes, which postpones certain deadlines for taxpayers affected by federally-declared natural disasters.
- See [Revenue Ruling 99-09-2, IRS Disaster Relief](#).
- Affected taxpayers should mark paper income tax returns by identifying the specific disaster designation, such as “Stanton County Storms,” at the top of the return.
- Taxpayers who e-file their returns can use their software’s “disaster” feature, if available.

Legislative Changes

Partial Exclusion of Military Retirement Income

Individuals may make a one-time election to exclude:

- 40% of military retirement income that is included in federal AGI for seven years beginning with the year of election; or
- 15% of military retirement income that is included in federal AGI for all years beginning with the year that the retiree turns 67.
 - The exclusion is only for military retirement benefits, not disability or other payments.
 - The election must be made within two years after retirement.
 - The election must be made on the [Form 1040N-MIL](#), which is available on the Department's website.

2014 Legislative change - operative beginning with tax year 2015.

Partial Exclusion of Social Security Income

Individuals may exclude any Social Security income included in federal AGI if:

- Federal AGI is \$58,000 or less for a married, filing jointly return; or
- Federal AGI is \$43,000 or less for all other returns.

Nebraska Historic Tax Credit (NHTC)

(Nebraska Job Creation and Mainstreet Revitalization Act)

- Any person, as defined, may earn a nonrefundable tax credit equal to 20% of eligible expenditures to rehabilitate historically- significant real property.
- For additional information, contact Lee Glaser at lee.glaser@nebraska.gov or 402-471-5669.

2014 Legislative change - operative beginning with tax year 2015. For more information, see [Nebraska Historic Tax Credit on our website](#).

Income Tax

- No Interest on Refunds under the Renewable Energy Tax Credit and the Nebraska Historic Tax Credit (Nebraska Job Creation and Mainstreet Revitalization Act) ([LB 261](#) – Operative March 6, 2015)
 - Interest will not be paid on refunds made under either of these tax credit programs.
 - This includes amended returns.

Income Tax

- Achieving a Better Life Experience (ABLE) Accounts ([LB 591](#) – Operative May 28, 2015)
 - Used to pay qualified expenses of a disabled person.
 - Not available for tax year 2015. A deduction for eligible contributions will be available in future tax years.
 - The accounts are administered by the State Treasurer's Office.

Income Tax

- Earned Income Tax Credit Affected by Net Operating Loss Carryovers ([LB 591](#) – Operative for taxable years beginning on or after January 1, 2015)
 - Persons otherwise eligible for the EITC will only be eligible for the credit if they would have been eligible for the federal EITC after adding back any net operating loss carryover deducted from federal AGI for the tax year.

For more detailed information, see [2015 Nebraska Legislative Changes](#) on our website.

Sales and Use Tax

- Sales Tax on Remote Sales ([LB 200](#) – Operative August 30, 2015 – Terminates August 30, 2018)
 - If the U.S. Congress enacts a law allowing collection of sales taxes from sellers without a physical presence in the state;
 - The Nebraska Department of Revenue will determine the additional amount collected during the first twelve months after Nebraska begins collecting this additional revenue.
 - The amount collected will be certified to the Governor, Legislature, and the State Treasurer for credit to the Property Tax Credit Cash Fund.

Sales and Use Tax

- Purchases by Aquariums and Zoos ([LB 419](#) – Operative January 1, 2016)
 - Nationally accredited aquariums and zoos operated by public entities or nonprofits will be exempt from sales tax on their purchases.
- Admissions to Aquariums and Zoos ([LB 419](#) – Operative January 1, 2016)
 - Admissions to nationally accredited aquariums and zoos operated by public entities or nonprofits will be exempt from sales tax.
 - Includes memberships to aquariums or zoos.
 - Other sales made by these aquariums and zoos, like concessions, remain subject to sales tax.

Sales and Use Tax

- Sanitary Drainage Districts ([LB 52](#) – Operative October 1, 2015)
 - Organized under [Neb. Rev. Stat. §§ 31-501 to 31-553](#) are exempt from sales and use tax on their purchases.
 - Does not include sanitary and improvement districts.
- Community-Based Energy Development (C-BED) Projects ([LB 412](#) – Operative August 20, 2015)
 - To be eligible for the sales and use tax exemption for sales tax paid in building a C-BED project, the county in which the project is located must have zoning regulations that require planning commission or county board approval for the project.

For more detailed information, see [2015 Nebraska Legislative Changes](#) on our website.

Tax Incentives

- Angel Investment Tax Credits Increase ([LB 156](#) – Operative May 28, 2015)
 - Increase in the maximum amount of credits from \$3 million to \$4 million per year
 - Clarification of reporting requirements
- Livestock Modernization Tax Credits Increase ([LB 175](#) – Operative May 28, 2015)
 - Expanded to include dairy and egg production facilities
 - Maximum credit for a livestock modernization project was increased from \$30,000 to \$150,000
 - Total authorized for all Nebraska Advantage Rural Development projects was increased with new limits for 2016 through 2019

Tax Incentives

- Definition of Microbusiness Expanded ([LB 246](#) – Operative August 30, 2015)
 - Allows for farm and ranch operations to be considered microbusiness if the person actively engaged in the business has a net worth of not more than \$500,000
 - Previous net worth limit was \$350,000
- No Interest on Refunds under the Renewable Energy Tax Credit or the Nebraska Historic Tax Credit (Nebraska Job Creation and Mainstreet Revitalization Act) ([LB 261](#) – Operative March 6, 2015)
 - Interest will not be paid on refunds made under either of these tax credit programs, including amended returns

Tax Incentives

- Sunsets for Tax Incentive Programs ([LB 538](#) – Operative August 30, 2015)
 - Changes the sunset dates for several tax incentive programs including:
 - Beginning Farmer to December 31, 2019
 - Nebraska Advantage Act Tiers 1, 2, 3, 4, 5, and 6 to December 31, 2017
 - Nebraska Advantage Microenterprise Tax Credit Act to December 31, 2019
 - Nebraska Advantage Research & Development Act to December 31, 2019
 - Nebraska Historic Tax Credit to December 31, 2019
 - New Markets Tax Credit to December 31, 2019

Tax Incentives

- New Markets Tax Credit ([LB 559](#) – Operative May 28, 2015)
 - A new markets tax credit used to offset insurance premium tax is considered a payment of insurance premium tax.
 - Allowed as a credit against an insurance company's corporation income tax.

Lottery/Charitable Gaming/Athletic Commission

- Allow Financial Institutions to Conduct Gift Enterprises ([LB 160](#) – Operative August 30, 2015)
 - Allows banks, savings banks, building and loan associations, and savings and loan associations to conduct gift enterprises as a promotional activity.
 - Gift enterprise means a contest, game of chance, savings promotion raffle, or game promotion which is conducted within the state or throughout the state and other states in connection with the sale of consumer or trade products or services solely as business promotions and in which the elements of chance and prize are present.

Lottery/Charitable Gaming/Athletic Commission

- Professional Wrestling ([LB291](#) – Operative May 27, 2015)
 - Professional wrestling was removed from the jurisdiction of the Athletic Commission.
- Distribution of Lottery Proceeds for Education ([LB 519](#) – Operative August 30, 2015)
 - Establishes the funding allocation for lottery proceeds transferred to the Nebraska Education Improvement Fund in fiscal years 2016-2017.

Property Assessment

- Real Property Appraiser Act ([LB 139](#) – Operative March 6, 2015)
- Correction of Centrally Assessed Errors ([LB 260](#) – Operative March 6, 2015)
- Equalization Adjustment for Air Carriers ([LB 261](#) – Operative August 30, 2015 and January 1, 2016)
- Liens for Special Assessments Made By SIDs ([LB 277](#) – Operative August 30, 2015)

Property Assessment

- Fraternal Benefit Societies Exempt from Property Tax ([LB 414](#) – Operative January 1, 2016)
 - Includes fraternal benefit societies (as organized under [Neb. Rev. Stat. §§ 44-1072 to 44-10,109](#)) in the definition of “charitable organization.”
 - Such organizations are exempt from property taxes pursuant to [Neb. Rev. Stat. § 77-202](#) on property used for a charitable purpose.
- Homestead Exemption ([LB 591](#) – Operative January 1, 2016)
- Property Tax Credit Act, Funding Increased ([LB 657](#) – Operative July 1, 2015)

Property Assessment

- Personal Property Tax Relief Act
([LB 259](#) – Operative January 1, 2016)
- Levy Limits for Fire Districts
([LB 325](#) – Operative July 1, 2016)
- Rent-restricted Housing
([LB 356](#) – Operative August 20, 2015)
- Nameplate Capacity Tax
([LB 424](#) – Operative January 1, 2016)
- Tax Incentive Programs Audit Required
([LB 538](#) – Operative August 30, 2015)

Miscellaneous

- Revenue Volatility Report ([LB 33](#) – Operative August 30, 2015)
 - Requires the Legislative Fiscal Office to prepare a report by November 15, 2016 and every two years thereafter that describes and estimates the volatility of all revenue streams that make up the State General Fund.
- Restrict Transfers of Trust Property ([LB 72](#) – Operative August 30, 2015)
 - Trustees cannot transfer property under the terms of a trust until after any obligations under Medicaid estate recovery reimbursement have been satisfied.
 - Also must include notification to the Department of Health and Human Services if the decedent was over 55 years of age and resided in a healthcare institution.

Miscellaneous

- Sports Arena Facilities Financing ([LB 170](#) – Operative August 30, 2015)
 - 70% of amount transferred will be appropriated to the municipality on a quarterly basis instead of annually.
 - The remaining 30% will also be transferred to the Civic and Community Center Financing Fund quarterly rather than annually.
- Service of Summons for Garnishment on a Financial Institution ([LB 195](#) – Operative January 1, 2015)
 - A bank, savings bank, building and loan association, savings and loan association, or credit union with its main office in Nebraska may designate that main office as the proper address for service of summons for garnishment proceedings.

Miscellaneous

- Generalized Information-sharing with Law Enforcement Authorities ([LB 261](#) – Operative March 6, 2015)
 - The Tax Commissioner is now allowed to share tax information with law enforcement or other taxing agencies regardless of tax program
 - Unless disclosure is otherwise prohibited by law
- Nameplate Capacity Tax ([LB 424](#) – Operative January 1, 2016)
 - Applicable to solar, biomass, and landfill gas renewable energy projects having a nameplate capacity of 100 kilowatts or more

Miscellaneous

- Motor Fuels Rate Increased ([LB 610](#) – Operative March 6, 2015)
 - Beginning January 1, 2016, the fixed motor fuels tax rate will increase by 1½ cents per gallon
 - The fixed tax rate will increase an additional 1½ cents per gallon on January 1 of each year through 2019
 - The total increase will be 6 cents per gallon
 - One-half cent of each incremental increase deposited in the Highway Cash Fund for use in funding state highway projects
 - One cent credited to the Highway Allocation Fund for distribution equally to cities and counties

Revenue Rulings

Revenue Rulings

- Filing an Original or Amended Nebraska Individual Income Tax Return as a Same-Sex Couple..... 07/07/15
- Revenue Ruling Rescinded (22-13-1, Tax Guidance for Individuals in a Same-Sex Marriage)..... 06/29/15

Information Guides

Individual Income Tax

- Individual Income Tax E-file/Electronic Payment.....04/2015
- Taxability of Interest and Dividend Income from State, Local, and U.S. Government Obligations..... 04/2015
- Determining Residency Status for Nebraska Individual Income Tax Filing.....06/2015
- Nebraska Income Tax for U.S. Servicemembers, Their Spouses, and Civilians Working with U.S. Forces..... 09/2015

Sales and Use Tax

- Lodging Tax..... 01/2015
- Common or Contract Carrier..... 04/2015
- Construction Contractor Fact Sheet..... 04/2015
- Responsibilities of Governmental Units
at Fundraising Events..... 04/2015
- Manufacturing Machinery and
Equipment Exemption..... 05/2015
- Statutory Responsibilities for Collecting,
Reporting, and Remitting
Nebraska Taxes (all tax types).....08/2015

Business Taxes

Income Tax Withholding

- When filing wage and tax statements, any employer or payor who issues more than 50 wage and tax statements must [e-file](#) those statements with the Department.
 - This includes Forms W-2, W-2G, 1099-R, and 1099-MISC.
 - Statements must be filed by February 1.
 - Use the Nebraska W-2 File Creator to assist you with uploading Forms W-2 electronically. See the [instructions on our website](#).
 - Encourage employers to get the Form W-3N completed early to help reduce fraud.

Income Tax Withholding

- Avoid errors that slow down the processing of returns
 - Include the Nebraska ID number in the appropriate box on the Forms W-2 and 1099.
 - If the Nebraska Employer ID number is blank and there is Nebraska withholding, a corrected form needs to be obtained.
 - Verify the correct Social Security number is shown on the W-2 or 1099 form.
 - Spouses working for the same employer or payor cannot have income combined on one Form W-2 or 1099. A separate Form W-2 or 1099 must be issued to each spouse.

Changes in Local Sales Tax

The following cities, villages, or counties have **started** a new local sales and use tax rate:

- Effective **January 1, 2015**
 - Battle Creek 1.5%
- Effective **April 1, 2015**
 - Benedict 1.5%
 - Callaway 1.0%
 - Dakota County 0.5% (only NE county)
 - Decatur 1.0%
 - Elwood 1.0%
 - Stanton 1.5%
 - Upland 0.5%
 - Utica 1.5%

Changes in Local Sales Tax

The following cities, villages, or counties have **increased** their local sales and use tax rate:

- Effective **January 1, 2015**

- David City 2.0%

- Effective **April 1, 2015**

- Bancroft 1.5%
- Bassett 1.5%
- Burwell 1.5%
- Duncan 1.5%
- Fairbury 2.0%
- Howells 1.5%
- Minden 2.0%
- Nebraska City 2.0%

Changes in Local Sales Tax

The following cities, villages, or counties have **increased** their local sales and use tax rate:

- Effective **April 1, 2015** (continued)
 - Norfolk 2.0%
 - Rushville 1.5%
 - Wayne 1.5%
 - York 2.0%
- Effective **October 1, 2015**
 - Chadron 2.0%
 - Lincoln 1.75%

Nonprofits and Charitable Organizations

Common questions the Department hears:

- When do I need to collect sales tax?
- I bought a table at a charitable event. Is the entire cost considered a donation?
- When do I owe use tax?

The Department has resources available to help determine proper taxation.

- PowerPoint presentation on the Department's website
 - [Nebraska Sales and Use Tax Nonprofit Organization 2015](#)
- Information Guides
 - [Nonprofit Organizations](#)

Nonprofits and Charitable Organizations

- Information Guides (continued)
 - [Responsibilities of Elementary and Secondary Schools, Parent-Booster Clubs, Parent-Teacher Associations, and Student Organizations](#)
 - [Sales Tax Exemptions Chart](#)
- Additional Assistance
 - Taxpayer Assistance - 800-742-7474 (NE and IA) or 402-471-5729
 - Educational seminars – Contact Deepa Buss 402-471-5612 or deepa.buss@nebraska.gov



Reminder:
Please sign up for GovDelivery!

Thank you!

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